

Fill in this information to identify the case:

Debtor Name: West Realm Shires Inc.

United States Bankruptcy Court for the _____ District of Delaware

Case Number: 22-11183

Official Form 426

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

12/17

This is the Periodic Report as of 12/31/2022 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

West Realm Shires Inc. holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
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See attached Exhibits

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

The undersigned, having reviewed the Entity Reports for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this Periodic Report and the attached Entity Reports are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

Mary Cilia

Mary Cilia (Feb 13, 2023 18:25 CST)

Signature of Authorized individual

Mary Cilia

Printed name of Authorized Individual

Date 02 / 13 / 2023

MM / DD / YYYY

For individual Debtors:

Signature of Debtor 1

Signature of Debtor 2

Printed name of Debtor 1

Printed name of Debtor 2

Date _____

Date _____

MM / DD / YYYY

MM / DD / YYYY

CASE NAME: West Realm Shires Inc.**CASE NUMBER:** 22-11183**GENERAL NOTES**

This periodic report (the "Periodic Report") has been prepared solely for the purpose of complying with Rule 2015.3 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). This Periodic Report contains certain financial information for certain non-debtor entities of non-publicly traded corporations and in which an estate of a Debtor (as defined below) controls or owns at least a twenty percent (20%) interest (each, a "Controlled Non-Debtor Entity" and, collectively, the "Controlled Non-Debtor Entities"). The information provided in this Periodic Report has been provided by the Debtors' management.

Description of these Chapter 11 Cases

On November 11 and November 14, 2022 (as applicable, the "Petition Date"), FTX Trading Ltd. and its affiliated debtors (each a "Debtor" and, collectively, the "Debtors")¹ each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases (the "Chapter 11 Cases") are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Delaware. On December 15, 2022, the United States Trustee appointed an official committee of unsecured creditors in the Chapter 11 Cases pursuant to section 1102(a)(1) of the Bankruptcy Code. Additional information about these Chapter 11 Cases, court filings, and claims information is available at the Debtors' restructuring website: <https://restructuring.ra.kroll.com/FTX>.

Financial Statements

The financial information contained herein is unaudited, limited in scope, and as such, has not been subject to procedures that typically would be applied to financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are not intended to reconcile fully with any financial statements prepared under U.S. GAAP. The Controlled Non-Debtor Entities maintain their books and records in accordance with U.S. GAAP and the information furnished in this Periodic Report utilizes the Controlled Non-Debtor Entities' normal accrual method of accounting.

For financial reporting purposes, the Debtors prepare consolidated financial statements at Debtor West Realm Shires Inc (Case Number 22-11183), which include information for the Controlled Non-Debtor Entities. This Periodic Report only contains financial information of the Controlled Non-Debtor Entities. The financial statements presented in this Periodic Report are derived from the books and records prepared and maintained by the applicable Controlled Non-Debtor Entity as provided to the Debtors. For purposes of filing this Periodic Report, the accompanying Balance Sheets and Statements of Income (Loss) of the Controlled Non-Debtor Entities have been prepared and presented for only those Controlled Non-Debtor Entities with activity during the period presented. The presentation in this Periodic Report does not include all the information and footnotes required by U.S. GAAP for complete financial statements. The financial statements and supplemental information contained herein represent condensed information, are limited in scope, and cover a limited time period. Unless otherwise noted, the Periodic Report generally reflects the Controlled Non-Debtor Entities' books and records and financial activity occurring during the time period covered by this Periodic Report. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the time period covered by this Periodic Report.

(1) A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/FTX>.

CASE NAME: West Realm Shires Inc.CASE NUMBER: 22-11183**GENERAL NOTES**

Although management made reasonable efforts to ensure that the financial information is accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to the information. Notwithstanding any such discovery, new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update this Periodic Report. Nothing in this Periodic Report shall constitute a waiver of any rights of the Debtors, including the right to amend the information contained herein. The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable nonbankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors, the Controlled Non-Debtor Entities, and the Debtors' advisors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

This Periodic Report should not be relied upon by any persons for information relating to current or future financial condition, events, or performance of any of the Controlled Non-Debtor Entities or their affiliates, as the results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year, and may not necessarily reflect the combined results of operations, financial position, and schedule of receipts and disbursements in the future. Further, this Periodic Report is limited in scope, covers a limited time period, and has been prepared solely for purposes of fulfilling the requirements of Bankruptcy Rule 2015.3. Accordingly, the following notes, statements, and limitations should be referred to, and referenced in connection with, any review of this Periodic Report.

Purchase Accounting

The acquisition of Embed Financial Technologies Inc. by West Realm Shires Inc. closed on September 30, 2022. The Debtors have not completed a valuation of acquired assets and liabilities nor the subsequent adjustment of acquired assets and liabilities to their purchase date fair values and recognition of goodwill in accordance with Accounting Standards Codification 805, Business Combinations ("ASC 805") and Accounting Standard Codification 820, Fair Value Measurement ("ASC 820"). As such, the Non-Debtor Entities' assets and liabilities are presented using the Non-Debtor Entities' book value basis prior to any fair value adjustment contemplated under ASC 805.

Income Taxes

The Debtors have not identified any material accounting-tax timing differences related to West Realm Shires Inc.'s investment in Embed Technologies Inc., and any such difference would be netted with the West Realm Shires, Inc.'s other net deferred tax assets, which is currently offset by a full valuation allowance. Any income tax amounts or disclosures presented in this Periodic Report are derived from the books and records prepared and maintained by the respective Controlled Non-Debtor Entities as provided to the Debtors. No separate analysis regarding the realizability of deferred tax assets or the need for uncertain tax position reserves has been performed by the Debtors. The Non-Debtor Entities remain subject to examination by taxing authorities for any open audit periods, which could further impact the results included in this Periodic Report.

CASE NAME: West Realm Shires Inc.CASE NUMBER: 22-11183**GENERAL NOTES****Intercompany Transactions**

Prior to the Petition Date and continuing thereafter, but only as approved by the Bankruptcy Court, the Debtors routinely engaged, and continue to engage, in intercompany transactions with the Controlled Non-Debtor Entities. Intercompany transactions have not been eliminated in the Balance Sheets and Statements of Income (Loss) contained herein, as these eliminations are only performed in consolidation. The Debtors are in the process of reviewing historical intercompany balances and transactions between Debtors and between Debtors and Non-Debtors. The results of this review could result in material changes to reported intercompany balances and transactions.

Current Values

The Debtors do not maintain fair market value or other bases of valuation for the Controlled Non-Debtor Entities, which may differ substantially from the net book value of these entities.

Currency

The amounts herein are presented in United States dollars, unless otherwise stated.

Reservation of Rights

Nothing contained in this Periodic Report shall constitute a waiver or admission by the Debtors in any respect, nor shall this Periodic Report or any information set forth herein waive or release any of the Debtors' rights or admissions with respect to these chapter 11 cases, or their estates, including with respect to, among other things, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers. The Debtors are reviewing the assets and liabilities of their affiliates on an ongoing basis, including, without limitation, with respect to intercompany claims and obligations, and nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' or their affiliates' rights with respect to such assets, liabilities, claims, and obligations that may exist.

CASE NAME: West Realm Shires Inc.

CASE NUMBER: 22-11183

Exhibit A: Financial Statements for Controlled Non-Debtor Entities

Official Form 426
United States Bankruptcy Court
District of Delaware

In re:
West Realm Shires Inc.

Case No. 22-11183

<u>Name of Non-Debtor Entity</u>	<u>Interest of the Estate</u>
Embed Financial Technologies Inc.	100%
Embed Clearing LLC ⁽¹⁾	100%
Embed Crypto LLC ⁽¹⁾	100%

(1) Embed Clearing LLC and Embed Crypto LLC are wholly owned subsidiaries of Embed Financial Technologies Inc.

CASE NAME: West Realm Shires Inc.CASE NUMBER: 22-11183**Exhibit A-1: Balance Sheet of Controlled Non-Debtor Entities as of 12/31/2022****Official Form 426**United States Bankruptcy Court
District of Delaware**Exhibit A-1: Balance Sheet of Non-Debtors**

In US \$ Unless Otherwise Indicated	As of December 31, 2021		As of December 31, 2022		
	Embed Financial Technologies Inc.	Embed Clearing LLC	Embed Financial Technologies Inc.	Embed Crypto LLC	Embed Clearing LLC
Assets					
Cash and cash equivalents	\$ 3,738,270	\$ 29,941,925	\$ 642,870	\$ -	\$ 25,560,961
Cash segregated in compliance with federal and other regulations	-	-	-	-	1,058,100
Other assets	157,478	107,460	222,210	-	215,567
Property and equipment—Net of accumulated depreciation	2,330,884	32,520	5,498,606	-	35,840
Deposits with clearing organizations	-	257,500	-	-	2,759,200
Receivable from clearing organizations	-	-	-	-	7,599
Securities owned, at fair market value	-	-	-	-	102,566
Equity securities, user-held fractional securities	-	-	-	-	38,190
Intangible assets	476,425	-	442,795	-	-
Goodwill	700,000	-	700,000	-	-
Intercompany Receivable	-	-	1,023,251	-	-
Investment in subsidiary	30,621,694	-	31,561,148	-	-
Total assets	38,024,752	30,339,405	40,090,879	-	29,778,024
Liabilities and Stockholders' Equity					
Payable to clearing organizations	-	-	-	-	22,379
Payable to customers	-	-	-	-	897,588
Equity securities, repurchase obligations	-	-	-	-	38,190
Intercompany payable	-	-	-	-	1,023,251
Other liabilities	162,580	889,571	2,382,350	-	1,130,665
Total Liabilities	162,580	889,571	2,382,350	-	3,112,073
Additional Paid in Capital	41,167,266	30,621,694	44,165,423	100,550	30,710,598
Retained Deficit	(3,305,095)	(1,171,860)	(6,456,894)	(100,550)	(4,044,648)
Total Stockholders' Equity	37,862,171	29,449,834	37,708,529	-	26,665,950
Total Liabilities and Stockholders' Equity	\$ 38,024,752	\$ 30,339,405	\$ 40,090,879	\$ -	\$ 29,778,024

CASE NAME: West Realm Shires Inc.CASE NUMBER: 22-11183**Exhibit A-2: Statement of Income (Loss) for controlled Non-Debtor Entities for the period ended 12/31/2022****Official Form 426**United States Bankruptcy Court
District of Delaware**Exhibit A-2: Statement of Income (Loss)**

In US \$ Unless Otherwise Indicated	As of December 31, 2021		As of December 31, 2022		
	Embed Financial Technologies Inc.	Embed Clearing LLC	Embed Financial Technologies Inc.	Embed Crypto LLC	Embed Clearing LLC
Revenues:					
Unrealized gain(loss) on firm investments	\$ -	\$ -	\$ -	\$ -	\$ (4,280)
Realized trade profit (loss)	-	-	-	-	12
Other Fee Revenue	-	-	-	-	19,159
Software License	-	-	250,000	-	-
Interest Income	-	-	-	-	318,493
Net Revenue	-	-	250,000	-	333,384
Expenses:					
Compensation and benefits	2,110,161	515,026	2,411,964	-	1,792,849
Information and technology	211	223,359	860	-	722,731
Professional fees and services	387,833	105,043	243,495	100,000	144,812
Occupancy and equipment	19,693	-	45,268	-	16,049
Regulatory fees	-	-	-	-	25,101
Subscription and communication services	42,950	182,697	88,882	-	319,863
Taxes and licenses	5,178	120	46,090	550	3,215
Depreciation & amortization	30,745	-	246,452	-	21,680
Interest expense	15,041	-	67,708	-	-
Other	85,120	42,428	251,077	-	159,872
Total Expenses	2,696,932	1,068,673	3,401,798	100,550	3,206,171
Net Income (Loss) Before Taxes	(2,696,932)	(1,068,673)	(3,151,798)	(100,550)	(2,872,788)
Income Tax Benefit (Loss)	89,224	-	-	-	-
Net Loss	\$ (2,607,708)	\$ (1,068,673)	\$ (3,151,798)	\$ (100,550)	\$ (2,872,788)

CASE NAME: West Realm Shires Inc.CASE NUMBER: 22-11183**Exhibit A-3: Statement of Cash Flows for Controlled Non-Debtor Entities for the period ended 12/31/2022****Official Form 426**United States Bankruptcy Court
District of Delaware**Exhibit A-3: Statement of Cash Flows**

In US \$ Unless Otherwise Indicated	As of December 31, 2021		As of December 31, 2022		
	Embed Financial Technologies Inc.	Embed Clearing LLC	Embed Financial Technologies Inc.	Embed Crypto LLC	Embed Clearing LLC
Cash Flows from Operating Activities					
Net loss	\$ (2,607,708)	\$ (1,068,674)	\$ (3,151,798)	\$ (100,550)	\$ (2,872,788)
Depreciation & amortization	30,745	-	246,452	-	21,680
Deposits with clearing organizations	-	(257,500)	-	-	-
Non-cash additional paid in capital	-	-	(939,454)	100,550	838,904
Stock option compensation	-	-	(251,843)	-	-
Cash segregated in compliance with federal and other regulations	-	-	-	-	(1,058,100)
Other assets	(149,778)	(96,970)	(922,630)	-	(2,655,596)
Payable to customers	-	-	-	-	897,588
Accrued & other liabilities	133,095	865,416	2,054,417	-	1,324,914
Net cash flows used by operating activities	(2,593,646)	(557,728)	(2,964,856)	-	(3,503,398)
Cash Flows from Investing Activities					
Additions of intangible assets	(504,450)	-	-	-	-
Purchase of investments	-	-	-	-	(102,566)
Investment in subsidiary	(24,038,991)	24,038,991	-	-	-
Purchases of property and equipment	(1,899,504)	(32,520)	(3,380,544)	-	(25,000)
Additions of goodwill	(700,000)	-	-	-	-
Cash flows used in investing activities	(27,142,945)	24,006,471	(3,380,544)	-	(127,566)
Cash Flows from Financing Activities					
Deferred tax liability	(89,224)	-	-	-	-
Issuance of stock	29,664,922	-	-	-	-
Capital paid to parent	-	-	750,000	-	(750,000)
Paid in capital	242,616	-	2,500,000	-	-
Net cash flows from financing activities	29,818,315	-	3,250,000	-	(750,000)
Net Increase (Decrease) in cash and cash equivalents	81,724	23,448,743	(3,095,400)	-	(4,380,964)
Net cash and cash equivalents, beginning of year	3,656,546	6,493,182	3,738,270	-	29,941,925
Cash and cash equivalents, current	\$ 3,738,270	\$ 29,941,925	\$ 642,870	\$ -	\$ 25,560,961

CASE NAME: West Realm Shires Inc.CASE NUMBER: 22-11183**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit) for Controlled Non-Debtor Entities for the period ended 12/31/2022**

Official Form 426

United States Bankruptcy Court

District of Delaware

Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit)**Consolidated Statement of Changes in Stockholders' Equity for the Year Ended December 31, 2021⁽¹⁾**

	Capital Stock				Additional Paid-in Capital	Retained Deficit	Total Stockholders' Equity
	Preferred		Common				
	Shares	Amount	Shares	Amount	Amount	Amount	Amount
Balance — January 1, 2021	3,320,184	\$ 332	5,000,000	\$ 500	\$ 11,258,896	\$ (800,574)	\$ 10,459,154
Net Loss						(3,676,381)	(3,676,381)
Issuance of Stock	1,189,578	119	50,000		8,749,890		8,750,009
Issuance of SAFEs					20,914,914		20,914,914
Stock Based Compensation					242,615		242,615
Balance — December 31, 2021	4,509,762	\$ 451	5,050,000	\$ 500	\$ 41,166,315	\$ (4,476,955)	\$ 36,690,311

Consolidated Statement of Changes in Stockholders' Equity for the Year Ended December 31, 2022

	Capital Stock				Additional Paid-in Capital	Retained Deficit	Total Stockholders' Equity
	Preferred		Common				
	Shares	Amount	Shares	Amount	Amount	Amount	Amount
Balance — January 1, 2022	4,509,762	\$ 451	5,050,000	\$ 500	\$ 41,166,315	\$ (4,476,955)	\$ 36,690,311
Net Loss						(6,125,136)	(6,125,136)
Issuance of Stock			500,000				-
Stock Extinguished From Sale	(4,509,762)	(451)	(5,549,900)		2,500,000		2,500,000
Stock Based Compensation					(251,843)		(251,843)
Balance — December 31, 2022	-	-	100	\$ 500	\$ 43,414,472	\$ (10,602,091)	\$ 32,813,332

(1) Embed Financial Technologies Inc does not prepare a statement of changes in stockholders' equity at the entity level. Values presented are consolidated at Non-debtor Embed Financial Technologies Inc.

CASE NAME: West Realm Shires Inc.CASE NUMBER: 22-11183**Exhibit B: Description of Operations for Controlled Non-Debtor Entities**

Official Form 426

United States Bankruptcy Court

District of Delaware

Non-Debtor Entity	Description
Embed Financial Technologies Inc.	Develops APIs for securities execution, clearing, settlement, and custody
Embed Crypto LLC	Entity formed for cryptocurrency services not yet offered
Embed Clearing LLC	Broker Dealer (Memberships and Registrations with FINRA, SIPC, DTC, NSCC, Options Clearing Corporation, Nasdaq Stock Market, IEX)

CASE NAME: West Realm Shires Inc.

CASE NUMBER: 22-11183

Exhibit C: Description of Intercompany Claims

Official Form 426

United States Bankruptcy Court
District of Delaware

Embed Financial Technologies Inc. has a \$1.0m receivable from Embed Clearing LLC as of December 31, 2022. This is comprised of \$250k in intercompany fees for use of certain Embed Financial Technologies proprietary software, as well as \$452k in transfers to Embed Clearing LLC for operational purposes.

CASE NAME: West Realm Shires Inc.

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Exhibit D: Allocation of Tax Liabilities and Assets

Official Form 426

United States Bankruptcy Court

District of Delaware

Embed Financial Technologies Inc. does not conduct an allocation of tax assets or liabilities between its subsidiary entities. Since the acquisition of Embed Financial Technologies Inc. by West Realm Shires Inc. in September of 2022, there has not been any allocation of tax attributes to Embed Financial Technologies Inc. or its subsidiaries.

CASE NAME: West Realm Shires Inc.

CASE NUMBER: 22-11183

Exhibit E - Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

Official Form 426

United States Bankruptcy Court
District of Delaware

As of the balance sheet date of the financials presented in Exhibit A, no payments of administrative expenses, professional fees, or otherwise were paid by the Controlled Non-Debtor Entities that would have otherwise been payable by a Debtor Entity.